

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6711

BILL NUMBER: HB 1403

DATE PREPARED: Jan 29, 2002

BILL AMENDED: Jan 29, 2002

SUBJECT: Physician and Nurse Continuing Education.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Medical Licensing Board and the State Board of Nursing to adopt rules requiring physicians and nurses to report on license renewal forms any continuing education hours completed during the license renewal period. It also allows for random audits for verification of continuing education hours reported by physicians and nurses.

The bill also requires the Health Professions Bureau, when notifying holders of licenses of the need to renew licenses, to include notification of the need to pay renewal fees. It also provides that an application for a license, certificate, registration, or permit is abandoned if the applicant does not complete the requirements for the application within one (1) year unless the applicant shows good cause for the delay.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill could increase expenditures of the Health Professions Bureau (HPB). The amount of the increase is unknown and dependent on how the agency notifies license holders of the requirements of this bill, and any additional meetings by the Medical Licensing Board to adopt rules for the reporting of continuing education on renewal forms that are necessary.

This bill allows the Health Professions Board to randomly audit between 1% and 10% of the practitioners who report continuing education hours on the license renewal form. To implement an audit, the Health Professions Bureau indicates that it would need to do the following: create a random audit list, notify the selected practitioners by certified mail, review the verification of completion and send follow-up correspondence to those who are either in or out of compliance. The added cost of postage (the cost of certified mail is \$2.97) and stationery would depend on the size of the audit sample.

As of November 2001, the HPB employed 52 authorized full-time staff members with 6 vacancies. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend

upon legislative and administrative actions.

Currently, the HPB is required to send a notice of expiration to certificate and license holders along with renewal forms. This bill provides that the HPB would not have to send renewal forms with the notices, but would be required to include the renewal fee requirement, which could incur minimal administrative expenses.

Explanation of State Revenues: The provisions of this bill could affect revenue collected from license fees of health professionals if the modifications change the number of individuals who qualify for licenses. It is estimated that the overall impact will be minimal. In FY 2001, approximately \$1.4 M in revenue was collected from physicians and nurses for licenses and other fees. License fees collected are deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Health Professions Bureau.

Local Agencies Affected:

Information Sources: Barb McNutt, Health Professions Bureau, (317) 233-4406.